



State Council of  
Higher Education for Virginia

# **The Economic Development and Research Components of the Restructuring Act**

Committee on Regional Strategies/Partnerships for  
Research and Economic Development

Governor's Commission on Higher Education Reform,  
Innovation and Investment

August 2, 2010  
Richmond



# The Restructuring Act

## **The Restructured Higher Education Financial and Administrative Operations Act of 2005**

Provides public colleges and universities with more operational and administrative autonomy in exchange for a renewed commitment to their public missions.



# The Restructuring Act

- Outlines a public agenda (the goals)
- Creates a “contract” (meet the goals, get more administrative & financial autonomy)
- Establishes an integrated six-year planning process
- Ties financial incentives to institutional performance
- Establishes a process for gaining additional institutional autonomy over time (3 levels)



# The Restructuring Act

- **Level I**
  - All institutions with Board of Visitor commitment in 2005
  - Receive minimum operational authority
- **Level II**
  - Criteria established in 2008 GA Session
  - Memorandum of Understanding for operational authority in two of the following areas – capital outlay, procurement, information technology
  - GMU, JMU, LU, ODU, RU, VMI (procurement and information technology)
  - VCCS (capital outlay and information technology)
- **Level III**
  - Management Agreement with operational authority in capital outlay, procurement, information technology, human resources, finance
  - Three initial institutions – CWM, UVa, VT
  - VCU authorized in 2008 GA Session



# The Restructuring Act

## **GOALS: The Public Agenda (“state asks”)**

1. Student access, including underrepresented groups
2. Affordable education, regardless of family income
3. Broad range of academic offerings
4. High academic standards
5. Student retention and progress toward a degree
6. Uniform articulation & dual-enrollment agreements
7. Economic development
8. Externally-funded research
9. K-12 education and student achievement
10. Six-year plans
11. Operational efficiency (financial and administrative standards)
12. Campus safety and security



# Education-related Standards

| Goal                             | Measure                      | Annual Certification | Biennial Reporting |
|----------------------------------|------------------------------|----------------------|--------------------|
| Access                           | In-State Enrollment          | X                    |                    |
|                                  | Underrepresented enrollment  | X                    |                    |
|                                  | Degree awards                | X                    |                    |
| Affordability                    | Affordability                | X                    |                    |
|                                  | Need-based borrowing         |                      | X                  |
|                                  | Tuition assessment           |                      | X                  |
| Breadth of Academics             | High-need degrees            | X                    |                    |
| Academic Standards               | SACS program review          | X                    |                    |
|                                  | Degrees per FTE faculty      |                      | X                  |
| Retention & Graduation           | Retention rate               | X                    |                    |
|                                  | Degrees per FTE students     | X                    |                    |
| Articulation and Dual Enrollment | Transfer agreements          |                      | X                  |
|                                  | Degree transfers             | X                    |                    |
|                                  | Dual enrollment              | X                    |                    |
| <b>Economic Development</b>      | <b>Economic development</b>  |                      | <b>X</b>           |
| <b>Research</b>                  | <b>Research expenditures</b> | <b>X</b>             |                    |
|                                  | <b>Patents and licenses</b>  |                      | <b>X</b>           |
| K-12 Education                   | K-12 partnerships            |                      | X                  |
| Campus Safety and Security       | Campus Safety and Security   |                      | X                  |



# Goal 7: Economic Development

*“Actively contribute to efforts to stimulate the economic development of the Commonwealth and the area in which the institution is located, and for those institutions subject to a management agreement set forth in Subchapter 3 (§ 23-38.91 et seq.) of this chapter, in areas that lag the Commonwealth in terms of income, employment, and other factors.”*



# Goal 7: Economic Development

## **Performance Measure** (All Levels)

*Institution develops a specific set of actions to help address local and/or regional economic development needs consisting of specific partners, activities, fiscal support, and desired outcomes. A summary of activities will be reported to the State Council biennially.*





# Goal 7: Economic Development

## **Institutional Reports, Spring 2010**

- Hundreds of local, regional, and statewide partnerships
- Activities involving both the public and private sectors
  - Wide range of types of activities
  - Wide range of scales of activities



# Goal 7: Economic Development

Common activities include:

- Economic Development Centers
- Management/Business Consulting Centers
- Technology Centers/Programs/Councils
- Research Activities/Programs/Centers
- Partner w/Foundations/Community Groups
- Educational Outreach (K-12, communities)
- Academic Outreach (degree programs)



# VEDP's Ally Information Exchange

**Virginia's University-Based Economic Development (UBED)** group provides a point of contact for every institution to provide businesses with easy access to public college and university resources. UBED's involvement in the Commonwealth's economic development efforts ensures a direct collaboration between the university, businesses, non-profit organizations, and government.

<http://www.virginiaallies.org/ubed.html>

**Tom Osha, ODU** (tosha@odu.edu)



# Goal 7: Economic Development

## **Management Agreements – Level III**

### **CWM: Petersburg**

-- with Phoenix Project

### **UVa: Coalfield Region (Southwest)**

-- with Va Coalfield Economic Development Authority

### **VT: Southside Virginia**

-- with public and private partners across the region



## Goal 8: Externally-funded Research

*“Consistent with its institutional mission, increase the level of externally funded research conducted at the institution and facilitate the transfer of technology from university research centers to private sector companies.”*



# Goal 8: Externally-funded Research

## **Performance Measure 1** (Research Univs.)

*Institution maintains acceptable progress toward agreed upon targets for the three-year moving average of total expenditures in grants and contracts for research.*



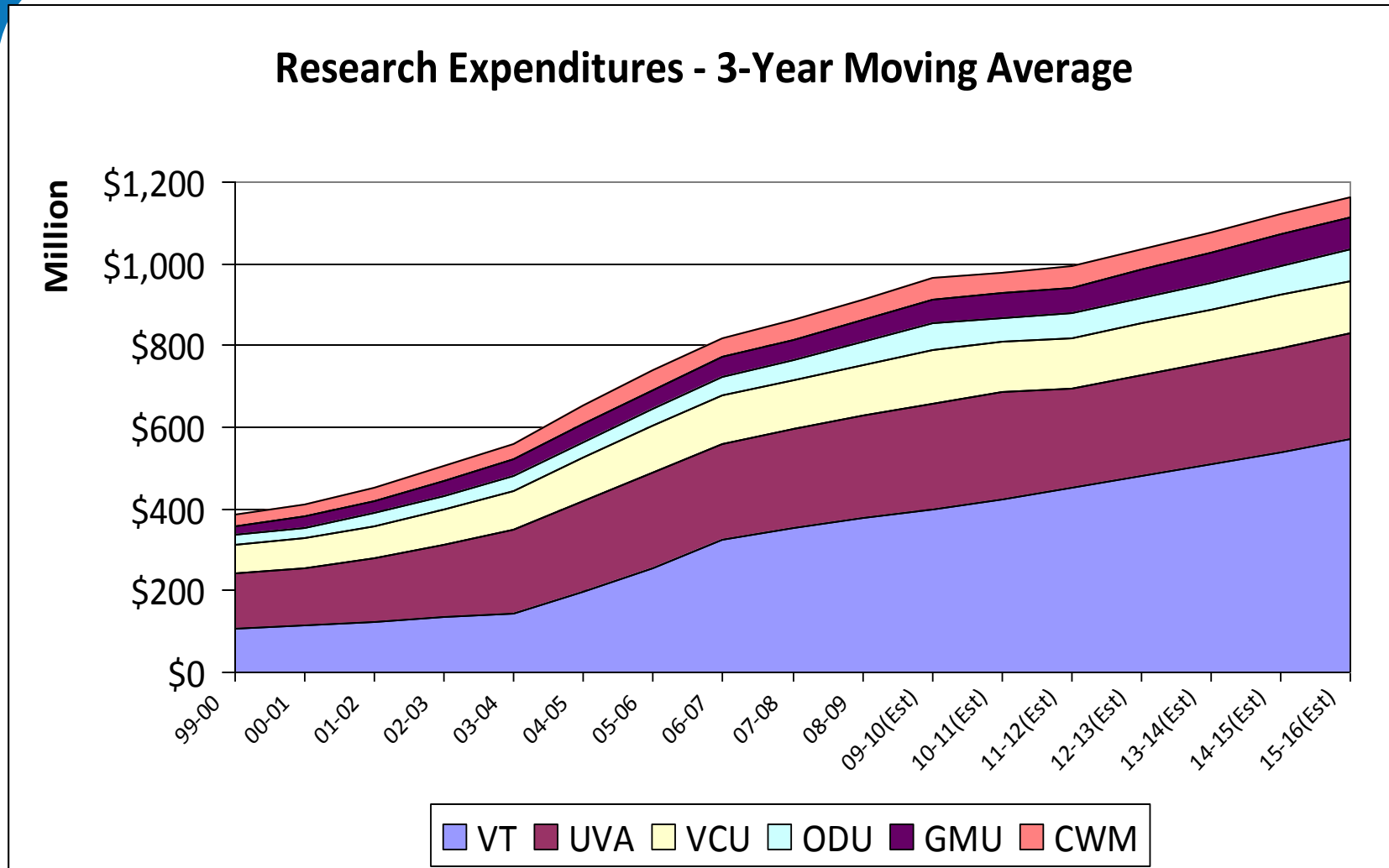
# Goal 8: Externally-funded Research

## TOTAL GRANT/CONTRACT EXPENDITURES FOR RESEARCH THREE-YEAR MOVING AVERAGE, IN MILLIONS

|                          | Target | Threshold | Actual |
|--------------------------|--------|-----------|--------|
| College of Wm & Mary     | 49.74  | 38.22     | 51.33  |
| George Mason Univ.       | 48.80  | 43.67     | 52.05  |
| Old Dominion Univ.       | 48.80  | 39.90     | 59.67  |
| University of Virginia   | 235.00 | 206.80    | 249.81 |
| Virginia Commonwealth U. | 115.79 | 98.42     | 122.30 |
| Virginia Tech            | 383.94 | 304.94    | 378.98 |



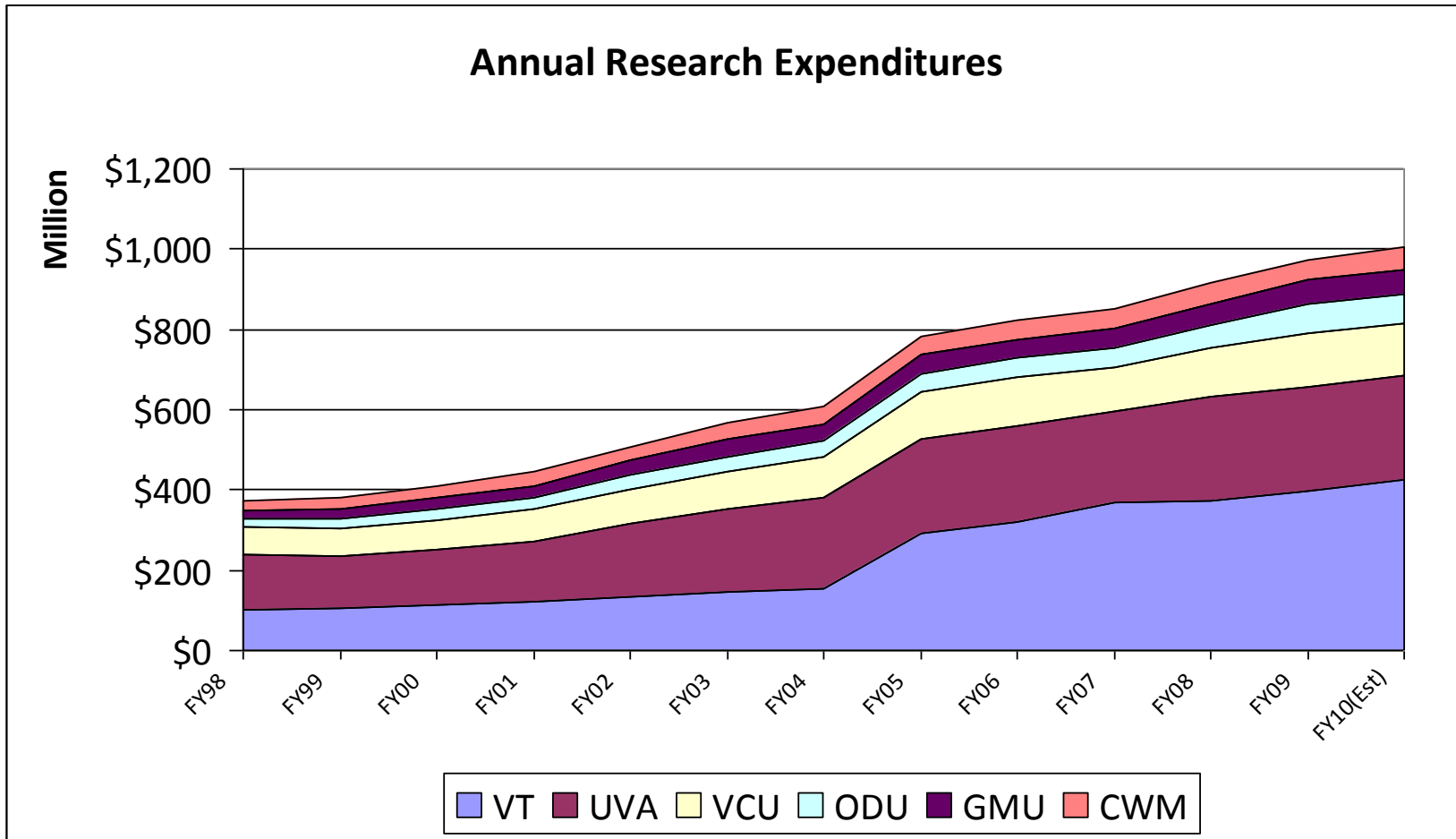
# Goal 8: Externally-funded Research







# Goal 8: Externally-funded Research





# Goal 8: Externally-funded Research

## Annual Research Expenditures, in Millions

|                   | <b>CWM</b>  | <b>GMU</b>  | <b>ODU</b>  | <b>UVa</b>   | <b>VCU</b>   | <b>VT</b>    |
|-------------------|-------------|-------------|-------------|--------------|--------------|--------------|
| <b>FY98</b>       | <b>25.3</b> | <b>19.6</b> | <b>20.3</b> | <b>139.1</b> | <b>67.6</b>  | <b>100.0</b> |
| <b>FY99</b>       | <b>27.2</b> | <b>23.5</b> | <b>23.1</b> | <b>131.1</b> | <b>69.8</b>  | <b>105.1</b> |
| <b>FY00</b>       | <b>30.4</b> | <b>27.5</b> | <b>27.7</b> | <b>140.4</b> | <b>72.0</b>  | <b>111.6</b> |
| <b>FY01</b>       | <b>34.0</b> | <b>30.9</b> | <b>28.1</b> | <b>149.5</b> | <b>78.4</b>  | <b>123.3</b> |
| <b>FY02</b>       | <b>34.4</b> | <b>36.2</b> | <b>33.5</b> | <b>182.3</b> | <b>85.8</b>  | <b>134.9</b> |
| <b>FY03</b>       | <b>40.0</b> | <b>45.1</b> | <b>34.8</b> | <b>206.2</b> | <b>94.4</b>  | <b>145.6</b> |
| <b>FY04</b>       | <b>43.1</b> | <b>43.5</b> | <b>38.7</b> | <b>228.5</b> | <b>101.1</b> | <b>152.6</b> |
| <b>FY05</b>       | <b>47.7</b> | <b>45.1</b> | <b>47.1</b> | <b>235.1</b> | <b>118.7</b> | <b>290.0</b> |
| <b>FY06</b>       | <b>48.7</b> | <b>45.5</b> | <b>48.5</b> | <b>238.8</b> | <b>119.9</b> | <b>321.7</b> |
| <b>FY07</b>       | <b>50.2</b> | <b>46.0</b> | <b>50.0</b> | <b>230.2</b> | <b>108.4</b> | <b>367.0</b> |
| <b>FY08</b>       | <b>51.8</b> | <b>52.4</b> | <b>56.0</b> | <b>257.7</b> | <b>125.0</b> | <b>373.3</b> |
| <b>FY09</b>       | <b>52.0</b> | <b>57.8</b> | <b>73.0</b> | <b>261.6</b> | <b>133.5</b> | <b>396.7</b> |
| <b>FY10 (Est)</b> | <b>58.2</b> | <b>62.1</b> | <b>73.0</b> | <b>260.7</b> | <b>128.0</b> | <b>425.0</b> |



# Goal 8: Externally-funded Research

## **Performance Measure 2** (Research Univs.)

*Institution reports biennially to the State Council the annual number of new patent awards and licenses.*



# Goal 8: Externally-funded Research

## **Patents and Licenses**

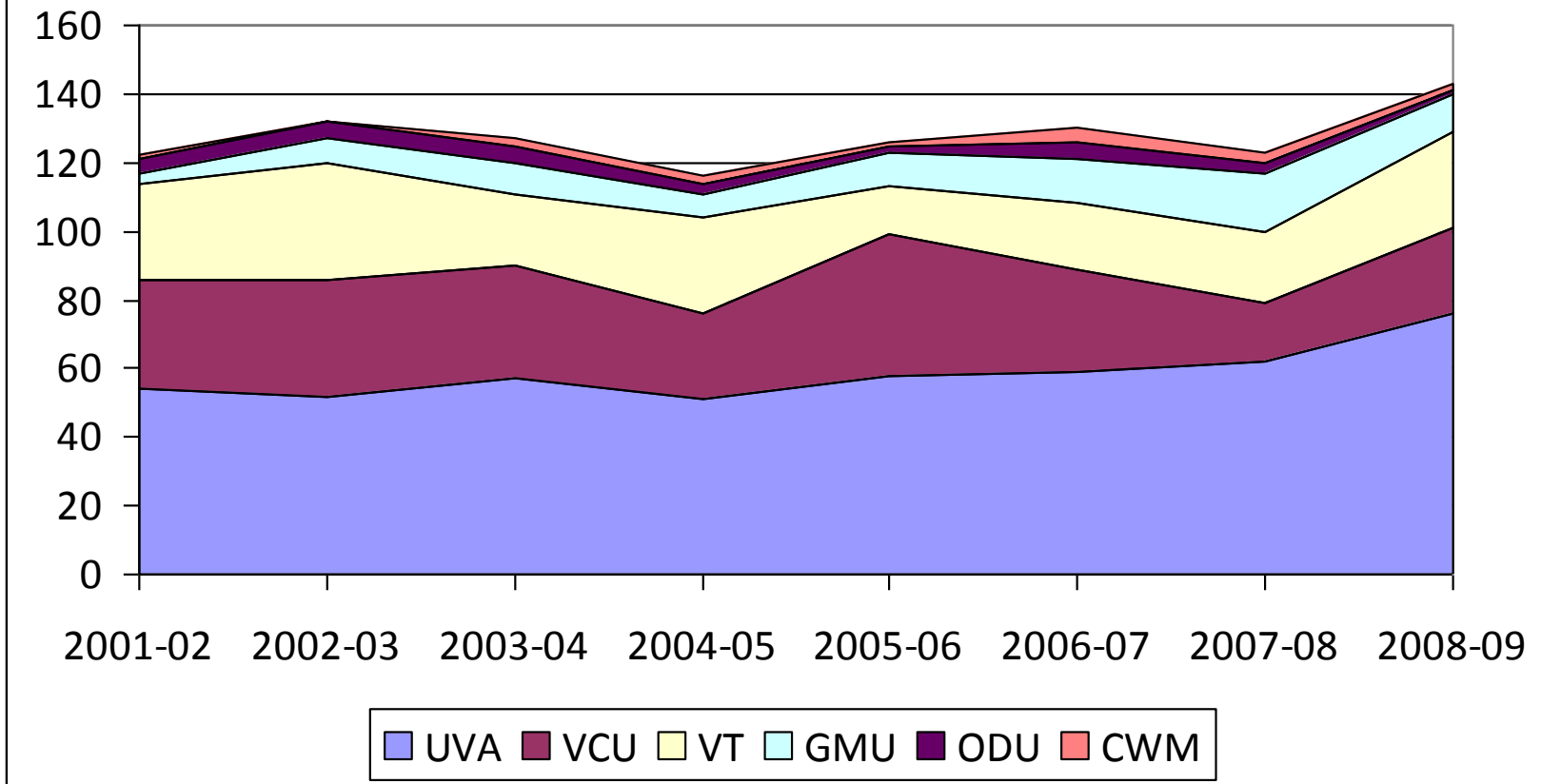
2008-09 Totals Reported to SCHEV:

|     |    |
|-----|----|
| CWM | 2  |
| GMU | 11 |
| ODU | 1  |
| UVa | 76 |
| VCU | 25 |
| VT  | 28 |



# Goal 8: Externally-funded Research

**Annual Patents and Licenses Awarded**





# Goal 8: Externally-funded Research

## Annual Patents and Licenses Awarded

|         | CWM | GMU | ODU | UVa | VCU | VT |
|---------|-----|-----|-----|-----|-----|----|
| 2001-02 | 1   | 3   | 4   | 54  | 32  | 28 |
| 2002-03 | 0   | 7   | 5   | 52  | 34  | 34 |
| 2003-04 | 2   | 9   | 5   | 57  | 33  | 21 |
| 2004-05 | 2   | 7   | 3   | 51  | 25  | 28 |
| 2005-06 | 1   | 10  | 2   | 58  | 41  | 14 |
| 2006-07 | 4   | 13  | 5   | 59  | 30  | 19 |
| 2007-08 | 3   | 17  | 3   | 62  | 17  | 21 |
| 2008-09 | 2   | 11  | 1   | 76  | 25  | 28 |